

National Tooling & Machining Association

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January 16, 2007

Susan H. Kuhbach
Senior Office Director for Import Administration
U.S. Department of Commerce
Central Records Unit - Room 1870
Pennsylvania Avenue and 14th Street, NW
Washington, D.C. 20230

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DEPT. OF COMMERCE
IMPORT ADMINISTRATION
Imports

Subject: Request for Comment - Application of the Countervailing Duty Law to Imports from the People's Republic of China

Dear Ms. Kuhbach:

This is in response to the United States Department of Commerce's Federal Register Notice soliciting comments concerning application of the countervailing duty law to imports from the People's Republic of China. The National Tooling and Machining Association (NTMA) and its members are deeply concerned about the threat posed to U.S. manufacturing by Chinese imports, many of which continue to be subsidized, including machines, tools and dies, by the Chinese government in violation of that country's World Trade Organization (WTO) obligations.

NTMA represents over 1,600 custom precision manufacturers and 55,000 employees across the nation. Our industry produces thousands of special tools, dies, jigs, fixtures, gages, molds, special trachines, and precision machined parts. These parts are supplied to such vital industries as defense, automotive, medical, aerospace, appliance, electronics, agriculture, transportation, construction, and environmental.

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NTMA believes that the Department has the authority, if not the obligation, to apply the CVD law to Chinese imports in order to ensure the continued effectiveness of that law as a remedy for U.S. companies and workers. The application of the CVD statute to China is consistent with the statutory language and, while it would represent a change in the Department's practice, the Commerce Department has the authority to make such a change, and would be fully justified in doing so in light of changes in the domestic and international legal context.

Since 2001, nearly a third of the number of U.S. tooling and machining companies have been forced to shut their doors due to price constraints driven by the large influx of low-priced Chinese imports into our markets. In view of the fact that China continues to enjoy the benefits of membership in the international economic community, it is only fair that it abide by the community's rules and responsibilities.

It is clear that subsidized Chinese imports pose a massive threat to U.S. manufacturing. Application of the CVD law to China is thus not just reasonable, but necessary to give full effect to the remedial purpose of that law.

Furthermore, the Commerce Department is not barred from adopting this reasonable interpretation simply because it adopted a different interpretation in interpreting a different statute more than twenty years ago.

We appreciate the opportunity to express our concerns and urge the Commerce Department to reconsider its practice of not applying the countervailing duty law to non-market economy countries and to conclude that the law does apply to imports from China.

Sincerely,

Rob Akers (

Chief Operating Officer

National Tooling and Machining Association